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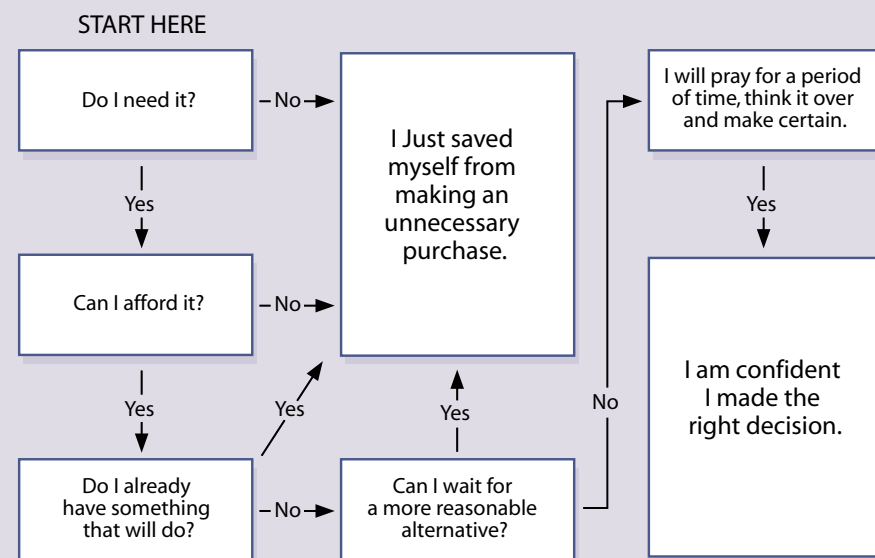
## Stewardship

### Living Stewardship

When it comes to making wise purchasing decisions, our feelings can't always be trusted. We have all experienced the thrill of being caught up in the excitement of the moment. At those times, our purchasing decisions are driven by feelings rather than solid financial planning.

As good stewards we know that we should seek God's direction as we manage what He has given us. To help us in that process, here's a "Good Steward Purchasing Flowchart." It guides us to fact-based purchasing decisions rather than feelings-based decisions. It also forces us to consider the purchase (or to plan the purchase), rather than to act on impulse.

### Good Steward Purchasing Flowchart



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## Estate Planning

### Want to Create Your Own Family Foundation?

Maybe you've been thinking about establishing a Family Foundation but just weren't quite sure how to do it. Or maybe you thought Family Foundations were only for the extremely wealthy. Well, not any more! Barnabas Foundation has made it easy for you to set up your own Family Foundation by offering the Stewards Fund, a donor-advised fund.

How do you start your Family Foundation? You make a contribution to the Stewards Fund. You may give any assets you own. It may be your share of a business, real estate (farm, second home, vacation property), closely-held stock, publicly-traded stock, grain, or you may even give cash.

Barnabas Foundation is your partner in helping you achieve your charitable goals. We will work with you to establish your Stewards Fund with the best asset to accommodate your own personal situation and circumstances.

What are the advantages of establishing a Family Foundation through the Stewards Fund?

- You avoid the costs normally associated with creating a private foundation.
- You can establish an endowment fund that continues to grow, based upon principal investments.
- You enjoy higher charitable deduction limits than you would with a private foundation.
- You may make anonymous gifts.
- You have no excise taxes or annual tax returns to file.
- You have no self-dealing rules to worry about.

### Your Family Foundation Can:

- Help teach your children to give.
- Involve your family in charitable projects.
- Increase your ability to respond to charitable needs.
- Allow your children to carry on your charitable legacy.

Here's how a couple of Christian clients we've worked with feel about our relationship: Cal Walstra comments, "Barnabas Foundation has been a catalyst to really make giving a joyful event for Grace and me, as well as our children." Jim Van Prooyen adds, "Their professional opinions and recommendations made a difference in how we structured our estate plan, saved on taxes and in our ability to give to Christian causes."

To find out more, please contact Barnabas Foundation toll-free at 1-888-448-3040 or visit our website at [www.barnabasfoundation.com](http://www.barnabasfoundation.com).

While I have met many of the donors we work with, there are still many of you I have not met personally. I do see your names in our database, on our newsletter mailings or on Charitable Trust or Stewards Fund statements, but your primary contact with Barnabas Foundation has been with one of our estate planning representatives. However, I do feel a bond with all of you since my wife and I have personally gone through the same process you have, meeting with a Barnabas Foundation representative to plan out our estate and ensure our children and favorite charities are properly cared for.

Thank you for the confidence you have placed in us by allowing us to assist you in planning your estate or gifting complex assets to support the Christian organizations that are close to your heart. Our goal is to assist each of you in fulfilling God's plan for the resources he has entrusted to you and your family.

We are constantly striving to improve the quality of the services we provide to you on behalf of our member organizations. Please feel free to call or e-mail me at any time.

**Henry Doorn, Jr.**  
EXECUTIVE DIRECTOR, BARNABAS FOUNDATION

Estate Planning

Life Stories: Charitable Remainder Trust



Jim and Millie Van Prooyen have been active Christians all of their married lives (about 50 years). Jim says, "We didn't know there was any other way." When they married they knew that tithing would naturally be part of their lifestyle and that their kids would attend Christian school.

After seeing the Barnabas Foundation design of his Charitable Remainder Trust, Jim had confidence that "this was the way to go." Jim and Millie were able to achieve their goals...

- to take care of their family
- to take care of their church
- to pass support on to "local" causes, i.e. Christian school
- to receive an immediate income tax reduction
- to avoid immediate realization of capital gains tax

When asked what Jim considers the best thing about his Charitable Remainder Trust, he said, "It firms up the amount of income we have (a percentage of the trust). Add that to the social security we get and it helps me plan and control. It's a great income planning tool."

Jim also enjoys a Stewards Fund account, the donor-advised fund at Barnabas Foundation. He gives stock, which is sold, and the proceeds are held in the Stewards Fund account. Then when a favorite Christian ministry needs funding, Jim can recommend a grant. He particularly likes the time and flexibility benefits of the Stewards Fund.

"Asking Barnabas Foundation to review our Wills was especially helpful," adds Jim. "Their professional opinions and recommendations made a difference in how we structured our estate plan, saved on taxes and in our ability to contribute to the Christian causes that are important to us."

Their four grown children are now self-sufficient, involved with their own families and supporting their churches. In fact, Jim and Millie's church in Highland, Indiana is the benefactor of the gifts of two of these families. Thus, the legacy continues.

Jim's career included a home furnishing business in Highland, Indiana, which he sold in order to retire for all of 8 months! He and several partners had established the Bank of Highland which then became Sandridge Bank with a number of branches. Jim took on the challenge of the bank's commercial loan department for the decade prior to his second retirement in 1999 when the bank sold.

As a result of the bank buy-out, Jim acquired a substantial amount of appreciated stock. Concerned about the tax consequence, he needed a way to diversify his holdings or as Jim says, "I needed a way to separate what I had and not have so many eggs in one basket." Jim had a financial consulting company prepare a proposal and he worked with Barnabas Foundation to develop a plan. In Jim's words, "He decided to test the waters."

Larry Burkett: 1939-2003

Founder of Christian Financial Concepts and Co-founder of Crown Financial Ministries.

Larry Burkett will be remembered as a driving force in Christian Financial Responsibility. His legacy is that he

understood and helped others to understand that "it all belongs to God" and how we manage our money affects our relationship with God. We will miss Larry and his inspiration.

Planned Giving

Planned Giving Opportunities when Interest Rates are Low

The low interest rate environment we are experiencing is very attractive for borrowers. However, if you are relying on investments for income, it can be quite concerning. Interest rates on CDs, money market accounts and other fixed-income investments have plummeted, resulting in significantly lower incomes for many retired people. For people looking to supplement their income, a Charitable Gift Annuity is an attractive option. With a gift annuity, a donor makes a gift, receives a charitable deduction for a portion of the gift, and receives an income for life, part of which is tax-free. The rates for gift annuities in many cases are significantly higher than the interest an individual could get from a CD or other fixed income investment. See the sidebar to the right for a sample of current one-life gift annuity rates.

*There has never been a more attractive interest rate environment for Charitable Lead Annuity Trusts!*

charity at their death may wish to make a gift of a remainder-interest in their property. With a gift of a remainder-interest, the donor can continue to use their property as long as they wish, but get an immediate deduction in the current tax year. The current interest rate environment is the most attractive environment we have ever seen for Charitable Lead Annuity Trusts and gifts of a remainder-interest in property. Like the current opportunity borrowers have to refinance their home, if you have considered creating a Charitable Lead Annuity Trust, or making a remainder-interest gift in your home or other property, this may be the time to do so. For more information on the most advantageous giving arrangement for you, contact Barnabas Foundation.

Another little-known result of the low interest rates is the change in the government interest rate used to calculate charitable deductions for certain charitable giving arrangements. The higher the rate, the higher the deduction received for gift annuities and charitable remainder trusts. However, the lower the rate, the better it is for Charitable Lead Annuity Trusts, gifts of remainder interests in property, and the tax-free portion of gift annuity payments.

With a charitable lead trust, a donor makes a gift to a trust that pays out an income to charity for a period of years, after which the assets in the trust are distributed to children or other non-charitable beneficiaries. For certain individuals, it is advantageous to avoid current income, have it directed to charity, and then pass the assets to their families.

Individuals who need an immediate charitable deduction for property they wish to contribute to

Sample Gift Annuity Rates*	
as of July 1, 2003	
Age 70	6.5%
Age 72	6.7%
Age 74	6.9%
Age 76	7.2%
Age 78	7.6%
Age 80	8.0%
Age 82	8.5%
Age 84	9.2%
Age 86	9.9%
Age 88	10.6%
Age 90+	11.3%

\*For single life  
Source: American Council on Gift Annuities

### Fundraising: What Laws Apply?

GuideStar recently provided an excellent overview of the rules and regulations with which nonprofits must comply, in order to follow both the letter and the spirit of the law. Here is a summary of those requirements for your review.

**Basic Rule** – Donors must actually give away funds. They cannot receive goods and services in return for their gifts, nor can they obtain dividends on their investments. If a donor receives a monetary return, they will lose their tax deduction and the nonprofit could lose its tax exemption.

**Registration Laws** – Most states now require charities doing fundraising with donors from their states to register. However many states exempt religious organizations and educational institutions from registration. The website [www.nonprofits.org/library/gov/urs](http://www.nonprofits.org/library/gov/urs) is of particular value in the charity registration process. It gives state requirements and includes the Uniform Registration Form, which is accepted in 36 jurisdictions (35 states and D.C.).

**Registration & the Internet** – The law is not yet settled with respect to fundraising on your website. Nonprofits should check with their legal advisors and with charity officials of their states.

**Solicitations Cannot Be Fraudulent** – It is difficult for donors to know if their gifts are actually being used for a

good cause. Sometimes the costs of fundraising are as much or more than the amount going to the charity. States cannot mandate the percentage raised that must go to the program of the charity because fundraising appeals are protected by free speech. But the nonprofit has an ethical and legal duty to answer donors questions truthfully.

**FTC's Telemarketing Sales Rule** – Most of us are aware of the new "Do Not Call" list that has been initiated as a way for consumers to have their telephone numbers eliminated from telemarketing sales lists. Although charitable solicitors are exempt from this requirement, we still need to honor all "Do Not Call" requests from individuals. (If an individual requests that an organization not call and it subsequently does so, it could be subject to a fine of \$11,000.)

Other aspects of the rule applicable to those who raise money for charities by phone:

- **Call between hours of 8:00 am and 9:00 pm**
- **Promptly give name of organization and purpose of call (to request charitable contribution)**
- **Tell the truth and avoid misleading statements**

To view this GuideStar feature article in its entirety, visit [www.guidestar.org/news/features/fundraising\\_laws.jsp](http://www.guidestar.org/news/features/fundraising_laws.jsp)

### 2003 Planned Giving Conference & Annual Meeting: September 17-19

Our theme this year, "Discover the Ministry of Development," has all of us at Barnabas Foundation excited. We're anxious to see how God will use this experience to help us all do better work for the Kingdom.

Since we know that some of you are already familiar with the book *Growing Givers' Hearts*, we think you'll find this years keynote speaker, co-author Rebekah Burch Basinger, of special interest. Rebekah will challenge us with what our calling really means in this world of Christian fundraising.

Professional education sessions will provide opportunities to "hone your skills" in the areas that are most helpful to you. Topics range from the death of a donor and the process required to get a bequest to attracting new

donors with an effective website. If you're new to fundraising and/or Barnabas Foundation, sessions on the fundamentals of planned giving and importance of Charitable Gift Annuities are a must. You'll also learn of many resources available to you as a member of Barnabas Foundation.

If you have not seen the new international headquarters of Bible League, plan to attend our Wednesday evening social there. And if you'd like to see some of Chicago's outstanding tourist destinations or you're an avid golfer, plan to join us on Friday afternoon, following the conference sessions.

If you haven't already registered, please call our office immediately.

## New Planned Giving Inserts

A series of six new planned giving inserts are now available for your use. Professionally designed to attract and interest your donors, the 4-color, two-sided inserts easily fit into letter-size envelopes. They are perfect to add to receipt letters, include with newsletters and/or other organization mailings.

Our goal with this series is to help educate your supporters about planned giving and “new” ways they might be able to give to your organization. A number of member organizations ordered customized versions with their logo and contact information. Response has been so positive that we printed extra copies of the non-customized, Barnabas Foundation version. These are available for order by contacting Lynell Dykstra at 888-448-3040.

We also sent you earlier a list of 15 ways to use these Planned Giving Inserts. If you’re interested in receiving another copy of these “how to use” ideas, just ask Lynell.

### Planned Giving Insert Topics

- Give appreciated assets rather than cash
- Give & receive an income for life
- Give your retirement tax bill to charity
- Have you considered a bequest?
- Is your estate plan up-to-date?
- Value of a Charitable Gift Annuity

We are occasionally made aware of items that appear in member publications which promote the partnership with Barnabas Foundation. Here are a few of the ones we’ve received. To hear more of what our members are saying or to give us your feedback, visit our website at [www.barnabasfoundation.com](http://www.barnabasfoundation.com). If you would like to share your publication, please add us to your mailing list.

*Daystar School works with Barnabas Foundation with certain types of contributions. They are very knowledgeable about the benefits and restrictions of different types of gifts and assets, and in all aspects of Christian estate planning. More information on Barnabas Foundation is included on side 2 of this issue of the Stargazer.*

Stargazer  
Daystar School, Chicago, IL  
“Matching Gift Progress”

## Our Next Planned Giving Partners Video Conference:

### *Avoiding Accidental Disinheritance*

The purpose of a Will and Estate Plan is to transfer property. Unfortunately, many Wills and Estate Plans have accidentally transferred property to the wrong person or unintended party. It is essential to understand how Wills, Trusts and Estate Plans function. While attorneys and other advisors can be helpful, donors need to understand the basics of the plan.

You’ll learn how to avoid some disasters and pitfalls during the next Planned Giving Partners video teleconference October 2 in both Chicago and Grand Rapids, MI. If you have a donor who lives in one of these areas, please contact them about this event.

You may also contact Barnabas Foundation directly at 1-888-448-3040 to get details about the time and place of this video teleconference in both locations. If you’re not located near a teleconference site, we will be happy to share a video of this “Avoiding Accidental Disinheritance” presentation. Just give us a call.

### What Our Members Are Saying...

*For many years Dordt College has benefited from its partnership with Barnabas Foundation, an organization that encourages stewardship and assists people in their charitable giving and estate planning. We were reminded of this again recently when we received another check from a donor’s estate in the Chicago area. The total bequest to the college was more than \$55,000 and was administered on behalf of the donor through Barnabas Foundation.*

Voice  
Dordt College, Sioux Center, IA  
“Dordt College Benefits from Partnership  
with Barnabas Foundation”